



**Glenda Ritz, NBCT**

Indiana Superintendent of Public Instruction

**TO: Indiana State Board of Education**

**FROM: Melissa Ambre, Director of School Finance**

**DATE: July 9, 2014**

**RE: Recommendation for IPS Funding – TSO withholding**

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Pursuant to I.C. 20-31-9.5-3(c) and 511 IAC 6.2-9-4(b), the State Board of Education (“Board”) is charged with determining the amounts of tuition support and federal funds that are necessary to fund each turnaround academy. However, the timing of tuition support payments and withholdings are controlled by statute, and with respect to withholdings, by contract. Pursuant to I.C. 20-43-2-1, the Department must make state tuition support payments every 40 days. In furtherance of I.C. 20-43-2-1, The State Budget Director, each year, publishes a tuition support payment schedule. For the month of July, the schedule requires state tuition support be paid on July 15, 2014. With respect to withholdings, the contract to which Indiana Department of Education (“Department”) and turnaround operators (“TSO”) are parties requires payment to the TSOs be made in accordance with the schedule established by the State Budget Director.

Below is the methodology for payments made to the TSOs. The Department asks the Board to adopt its recommendations. However, if the Board does not accept the Department’s recommendations, the Department is prepared to adjust the payments made to be consistent with the determination of the Board.

### **Recommendation for State Tuition Support Withholding – Indianapolis Public Schools (IPS)**

Pursuant to I.C. 20-31-9.5-3(c) and 511 IAC 6.2-9-4(b), the Department recommends the following amounts be withheld from the **state tuition support grant** to be distributed to IPS from July 1 through December 31, 2014, to be used for operation of the turnaround academies:

Emma Donnan Middle School	<b>\$1,289,018.63</b>
Arlington Community High School	<b>\$1,772,315.75</b>
Emmerich Manual High School	<b>\$2,199,954.25</b>
Thomas Carr Howe High School	<b>\$2,541,176.38</b>



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The recommended amounts are based on the following counts for each turnaround academy: December 1, 2013, special education child count multiplied by the applicable categorical amount; May 2014 average daily membership (ADM) estimated count multiplied by the applicable amount for complexity grant and basic tuition support funding; the October 2013 graduation report counts for the honors grant multiplied by \$1,000 for honors funding; and the September 13, 2013, career and technical education counts for career and technical education multiplied by the applicable amounts for career and technical education funding.

The initial basic tuition and complexity grant estimates for withholding are based on the May 2014 estimated ADM counts provided by the turnaround operators for tuition support and complexity funds. For complexity and basic tuition support, the Department will use a fall (September 2014) and spring (February 2015) count of ADM to determine funding for each six month period within the fiscal year. For special education funding, the Department will use the December 1, 2014, to determine funding for the state fiscal year. For honors funding, the Department will use the October 2014 Graduate Report counts to determine state fiscal year funding. For career and technical education funding, the Department will use the fall (September 2014) count information to determine career and technical education funding. All grant totals will be added together to determine state fiscal year funding to the turnaround operator(s).

I.C. 20-43-4-9 requires the use of the fall count of ADM for the first six months of state fiscal year funding and the spring count of ADM for the second six months of the state fiscal year tuition support funding. Accordingly, the Department will reconcile any over or underpayments in withholding and payments resulting from the use of the fall and spring counts within the applicable six month period and state fiscal year.

Reconciliation periods will occur in December 2014 for Honors and Career and Technical Education funds, November 2014 and April 2015 for basic tuition support and complexity funds, and February 2015 for special education funds. During each reconciliation period, grants will be recalculated and updated to reflect actual counts. Payments will be adjusted to account for any over or under payment of the State Tuition Support funds. The Department will notify turnaround academy operators and IPS Superintendent when changes occur.



# Indiana Department of Education

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The total amount of state tuition support to be withheld from IPS for the first six months of FY 2015 for each turnaround academy is as follows:

School	05/14 est ADM count	Annual Tuition Support	Annual Special Education Grant	Annual Complexity Grant	Annual Voc. Education Grant	Annual Honors Grant	Annual Total	Six-month Total
Donnan	325	\$1,579,890.00	\$284,067.00	\$714,080.26	-0-	-0-	\$2,578,037.26	<b>\$1,289,018.63</b>
Arlington	450	\$2,187,540.00	\$368,365.00	\$988,726.50	-0-	-0-	\$3,544,631.50	<b>\$1,772,315.75</b>
Manual	550	\$2,673,660.00	\$391,105.00	\$1,208,443.50	\$114,700.00	\$ 12,000.00	\$4,399,908.50	<b>\$2,199,954.25</b>
Howe	675	\$3,281,310.00	\$315,953.00	\$1,483,089.76	-0-	\$ 2,000.00	\$5,082,352.76	<b>\$2,541,176.38</b>